

heart, your mind, and your life is the truth and say to the Congress of the United States, "The time to act is now, and we will support you."

Thank you very much.

NOTE: The President spoke at 11:38 a.m. at Troy Elementary School. In his remarks, he referred to Bob Jordan, former Lieutenant Governor of North Carolina, and Kerry Anderson, Montgomery Memorial Hospital administrator.

Remarks in a Town Meeting in Charlotte, North Carolina

April 5, 1994

Q. Welcome, Mr. President.

The President. Thank you. I'm hooked up.

Mr. Donovan. Right. We will be getting to our first question for President Clinton, but first he would like to begin with some opening remarks.

Mr. President.

The President. Thank you. Well, first of all, I want to thank you for hosting this town meeting. And I want to thank all of you for participating and all the people in the communities that are hooked into us tonight. I try to do a number of these every year as a way of sort of getting in closer touch with the American people, listening to people directly about their concerns, and making a report.

Last year, in my first year as President, I devoted most of my time to trying to get the economy back in order, to impose some discipline on the Federal budget, and to start investing in growth for the jobs of the 21st century. This year we are working on trying to keep that economic renewal going. Our economy in 14 months has produced 2.3 million private sector jobs. That's more than twice as many as in the previous 4 years. If the budget which I have proposed to Congress passes, we will eliminate another 100 Government programs, cut another 200 and something more, and have 3 years of reduction in the Federal deficit for the first time since Harry Truman was President of the United States. That's a long time. So we're moving in the right direction.

This year we're also trying to improve our political system. We've got a lobby reform law which will restrict lobbying in Washington and increase reporting requirements for lobbyists, which I think is a very good thing.

The Congress just passed and I just signed our major education bill for public education, Goals 2000, which for the first time will set world-class standards of excellence for our public schools and promote all kinds of domestic grassroots reforms, school district by school district, to achieve them.

We are dealing with welfare reform in the Congress. We are dealing with health care reform, and I know a lot of you have questions about that. I visited today in Troy, North Carolina, in a rural hospital and with people in that community, talking about the problems of providing health care in rural America.

And the first item of business—and I will close with this—when the Congress comes back will be to take up the crime bill. I know you just had a special legislative session here in North Carolina. Governor Hunt proposed some legislation. Our crime bill will put another 100,000 police officers on the street, will ban 28 kinds of assault weapons, will have a "three strikes and you're out" provision to affect the relatively small number of criminals that commit a large percentage of the truly violent crimes, and will provide some funds to communities to try to give our kids a chance to avoid getting in real trouble: more funds for drug treatment, for recreation, for alternatives to imprisonment for first-time offenders. It's going to be a very busy year in Congress.

What I want you to know is that this work is going on. Sometimes I think maybe out here in the country, because of what comes across the airwaves, you may not know that the work of the people is going on, and that's my first concern. And we're doing everything we can to push an agenda which would make this year, if we can complete it, even more important to the American people and their future than what happened last year.

Mr. Donovan. Mr. President, we will open up our town hall meeting now with questions, and Kim Hindrew is standing by with the first questioner.

Crime

Kim Hindrew. Mr. President, we have with us here a gentleman who has a question on crime.

Q. Good evening, Mr. President.

The President. Good evening.

Q. With the inner-city crime rate at an all-time high, is there any plans for Congress to allot funds for programs that would help the inner-city families deal with these problems?

The President. Yes, there are. Let me just explain a little bit about how our crime bill works. This crime bill would do far more than Congress has often done in the past. It's not just a posturing bill, where we say we're getting tougher on crime but we don't give the cities and the rural areas the means to deal with it. We actually would put another 100,000 police officers on the street in our cities over the next 5 years in community policing, that is, where people could walk the streets, know their neighbors, know the kids, work with people, and prevent crime as well as catch criminals. We provide the communities funds to help to promote more community activities for young people, to help to provide for afterschool activities, for jobs, for recreational activities, for drug treatment, for the kinds of things that will prevent crime, as well as for boot camps and other alternatives to prison for first-time offenders who are nonviolent. And as I said, we do increase penalties for the relatively small number of people who commit a large number of the violent crimes. And we eliminate several—28, to be exact—kinds of assault weapons which have no hunting or sporting purpose, which are just used to make sure that gang members are often better armed than police officers.

So that's what this crime bill does. And it's all paid for not with a tax increase but with a trust fund which will be funded by reducing the Federal employment rolls by 252,000 over 5 years, not by firing anybody, but by attrition. If this budget passes, this year's budget, combined with what we did last year, 5 years from my first year in office the Federal Government of the United States will be as small as it was when John Kennedy was President. It will be the smallest it has been in 30 years, which is a huge

change. And all the money will be put right back into local communities and into law enforcement. So that's what we're going to do. It will make a difference, sir.

Ms. Hindrew. Mr. President, we have a question now about Government efficiency.

Health Care Reform

Q. Mr. President, Federal Government does not presently have a good track record in its operation of other health care programs. Examples are Medicaid and Medicare, where the costs have continued to skyrocket. Also a very good example are VA hospitals that have empty beds and yet waiting lists, and because of funding, they're not operating at full capacity. In light of that, why do you think we can operate your proposed health care program without adding greatly to our already serious deficit in this country?

The President. Well, that's why I don't propose that the Government take it over. My program is, guaranteed private insurance. My program is, take the people who are working who don't have health insurance and extend the same system that they have now. Eighty percent of the people without health insurance in America today are in working families, and what we propose to do is to guarantee them private insurance and then give them the chance to choose their own doctor, choose their own medical plan, and to have a new choice every year, not to have the Government run it.

But let me just say, sir, I don't agree with you. I don't think Medicare is a poorly run program at all. And the Medicare program, I think, has worked right well. It only has a 3 percent administrative cost. By contrast, most private insurance plans have administrative costs 4 and 5 and 6 times that. So I don't think you can make a very good case of Medicare's not well run. I think it is. Medicaid is growing so fast and Medicare is growing so fast in part because there are more and more people on it because we don't have enough other kinds of insurance. But I don't think that either one of those programs, but particularly the Medicare program, is poorly managed. I think Medicare works real well for elderly people, and I think it ought to be left alone. Under my plan we leave it alone just as it is. But we don't extend Medi-

care to the uninsured, we extend private insurance. I think we should have a private plan.

I do believe that you're going to have to have some way to let small business people and self-employed people buy health insurance at the same competitive rates that people in the Government and people in big business get it now. Those of us that are in the Federal Government have terrific health insurance plans. Why? Because there's a whole lot of us, so we can get good plans. But farmers or self-employed people or small business people, they pay 35 to 40 percent more because they don't have any buying power. So under our system, what the Government does is to create buying pools, almost like old-fashioned farmers co-ops, so that people can buy insurance that's more adequate for lower cost. In California, the first big buying pool was set up by the State of California this year, and small businesses actually got their insurance at a lower cost. The same thing is about to happen in Florida. So that's what the Government does: We require private insurance and provide the buying pools. Otherwise it should all be left in the private sector, because I agree with you, we can't run it; we shouldn't try.

Mr. Donovan. Mr. President, you have vowed to veto any health care reform bill that does not include universal health care. Your plan has been changed somewhat. You've compromised, you've been willing to compromise. Are you still going to stick to that, or would you be willing to accept something short of universal health care?

The President. I think if you—well, let me just quote to you back what the doctors and the nurses and the hospital folks said in Troy, North Carolina, today. We were out there with doctors that have spent their entire life in rural areas. They said unless you're going to cover everybody, you can't have health care reform. In the hospital I saw in Troy today, 50 percent of the people who come into the emergency room are people without health insurance. That cost is either going to be passed onto the rest of the folks in Montgomery County who have insurance or is going to be absorbed by the hospital in ways that undermine their ability to provide health care. We are the only advanced

country in the world that doesn't do this. I just refuse to believe we can't figure out how to cover all of our people just like every country we compete with does.

So no, that's something that I don't feel we can compromise on, because if we don't do that, we can't stop this explosion in cost. The gentleman mentioned how much Medicare and Medicaid's going up, how much other rates are going up. One of the ways we're going to get health care costs in line with inflation is to provide insurance to everybody, get primary and preventive care out there, and then let people buy it in a competitive marketplace. So you've got to cover everybody to get that done, so I can't compromise on that.

Mr. Donovan. Thank you. We're going to go to our first question tonight from Bristol, Connecticut, Mr. President.

The President. Bristol, Tennessee—

Mr. Donovan. I'm sorry, Bristol, Tennessee.

Mr. President. —or Virginia, depending on which side of the line you're standing on, right? [Laughter]

Steve Hawkins. You're exactly right, Mr. President. Good evening, and welcome to Bristol and WCYB. Now, as you know, we're in the tri-cities, Johnson City, Kingsport, and Bristol in east Tennessee and southwest Virginia. I'm Steve Hawkins, and with me tonight a woman who has a question about education.

Education

Q. Good evening, Mr. President. At one time our schools seemed a protective and enriching environment for our children. Now not only are our children falling academically behind those of many other nations, they're also too often unsafe in their schools. The preceding administration developed the Goals 2000 for education. What new initiatives has your administration developed that would address the seemingly worsening educational crisis, particularly as it reflects the social conditions in our country, and that would help our children find futures in our changing world?

The President. Let me try to answer the question with three or four points. First of all, the national education goals for the year

2000 were developed at a meeting of the Governors and the White House under the previous administration. I represented the Governors in that. We stayed up all night long, and we wrote those educational goals.

The legislation I signed last week for the first time actually provides funds to school districts to promote the kind of grassroots reforms necessary to meet world-class standards. So we've finally done something on that. And also, we'll actually set up those standards in the law. They've never been done before. This country has never had any educational standards, any way of measuring whether students in Bristol, Tennessee, or New York City, or El Paso, Texas, were learning what they needed to know in a global economy.

The second thing we're doing is passing something called school-to-work legislation which will provide extra training opportunities for young people who don't want to go on to college but do need further training. Our evidence is that if you don't have at least 2 years of post-high school education or training when you get out of high school, you don't have a very good chance of getting a job with a growing income.

The third thing that we're trying to do is to change the unemployment system into a reemployment system so that people can continuously get education throughout their lifetimes.

And fourthly, there is in the crime bill, as well as in this education bill I just signed, a safe schools program which will provide more funds and other help to schools to try to make our children safe in their schools. There are an awful lot of schools in this country today where people aren't safe going to and from schools or aren't even safe in the schools. And if they're not safe there, learning can't occur. One of the goals that I worked real hard for back in 1989 to get adopted is that every school ought to be safe, disciplined, and drug free. And so we have a program here that will enable the schools to do that and will give our troubled schools, our most troubled schools, extra help to have the kind of security they need and the kind of learning environment they need and the kind of alternative dispute mechanisms our

kids need to learn so that they can avoid violence.

So all these things are on the education calendar this year. This should be the most important year for education reform in 30 years if all these bills pass, and I think they will.

Mr. Donovan. Mr. President, our next question comes from Austin, Texas.

Sally Holiday. Good evening, Mr. President. I'm Sally Holiday with KXAN-TV in Austin, Texas. And here in the studio with me are more than 2 dozen people who have a wide variety of concerns and questions for you. Our first question comes from the chief of our police department, Elizabeth Watson. And Chief, I believe you have a question about community policing, something you're trying to spread here in Austin.

Community Policing

Q. Mr. President, I have real appreciation and optimism about the crime bill and the hope that it provides for an unprecedented investment of Federal dollars into making the streets of America safer. It is music to my ears to hear the President of the United States speak supportively about community policing, because I'm a real advocate. My concern, however, and the concern of many of my colleagues is that community policing has become a buzzword, a panacea, that there is an oversimplification that 100,000 more police is somehow, in and of itself, going to dramatically impact the crime problem. What assurances, if any, might you be able to provide that the investment of Federal dollars will indeed be channeled to those cities and areas of the country that truly understand and embrace community policing, as evidenced by the partnership and empowerment across the board of the citizenry that it inevitably entails?

The President. Let me try to explain a little behind what the chief's question is. What she is saying is that community policing works if it's properly implemented. That means it's not just enough to let a city hire more police officers. The police officers have to be properly trained, properly deployed, and connected to the community so that they not only catch criminals, they actually work with people to prevent crime from occurring

in the first place. We know this can happen in Texas—she's in Austin—and in the city of Houston, where they went to a more aggressive community policing situation, in 15 months the crime rate dropped 22 percent. And the mayor got reelected with 91 percent of the vote, and the two things were connected, believe me.

You can do something to bring the crime rate down. The answer to your question is—at least if I prevail, the bill has not come out in its final form yet—we will give some of this money out based on the size of the problem in cities. But some of the money will have to go to—the money will be tied to a commitment to genuine community policing strategies that work. In other words, if you give more money to a city and they hire all the police to sit behind desks, the crime rate will not go down. That's basically what she's saying. You've got to know that this money is going to be properly spent. To the extent that we can do it, we are going to have standards to make sure that the money will go—we want to give it to all major cities that need it, but we want them to agree to implement strategies that work in order to get the money. And I thank you for what you're doing.

Mr. Donovan. And Mr. President, on to our third city now, Roanoke, for a question from a resident there.

Q. Good evening, Mr. President. Good evening, I'm Callie King here at WSLs-TV in Roanoke, Virginia. In our audience tonight in our studio are 25 people who also have a wide variety of questions they'd like to ask you. So let's get right to our first one. With me is a health insurance agent from Rural Retreat, Virginia.

Health Care Reform

Q. Yes, Mr. President, my question would be, as a health insurance agent, my clients are primarily self-employed and small business owners. I would like to know what's in store for people like myself and my colleagues who these folks depend on. When they have any problems with their insurance, they call us.

The President. Well, they would still be able to buy their insurance from you because we don't propose to abolish private health

insurance. What we want to do is to require people who do not have any insurance to buy insurance, with employers paying a portion of the premium and employees paying a portion of the premium. We want to make it possible for you to offer health insurance to small business people and self-employed people at either lower rates or more comprehensive health care services for the rates that you're having to charge now, which is something, as you know, insurance companies can't do economically now if they're insuring people in small pools. So what we've proposed is some insurance reform that will change the nature of the economics of the health insurance industry, but leave it intact.

And let me just basically say what we propose to do. From the point of view of the people buying the health insurance, we want to make it possible for small business people and self-employed people to buy insurance at lower rates without inflation at 35 percent a year, which is what it's been averaging nationwide. We want to make it illegal for people to have higher rates because somebody in their family has been sick or because they're older. We want to make cutting people off illegal because somebody in their family has been sick. But we don't want to bankrupt insurance companies, so we propose to have people insured in larger pools, which will mean that smaller insurance companies will have to pool together to insure people in larger pools. But that way, it will be economical for the insurance industry to insure people, and the people will be free of these terrible problems.

Right now in America, 81 million Americans out of 255 million, 81 million, are in families where there is a so-called preexisting condition, where somebody in that family has been sick, which means either they're paying higher insurance costs, they can't get insurance at all, or they can't change the job they're in, because if they do, they can't get insurance in the next job.

These things are not this insurance agent's fault, this gentleman who has asked me this question. He can't help that; that's the way the market's organized. So what we have to do is to put people in bigger insurance pools and protect them from those kinds of abuses. But if they're in bigger pools, then the insur-

ance companies, in essence, will be able to still provide those services, and they'll still be able to make a decent profit.

It will change. Your business will change, but you can still be in business, because I don't propose to take insurance out of this but to change the way it works so that everybody can be insured at an affordable price.

Mr. Donovan. And now we return to home base, Mr. President, if I can direct your attention this way. Kim is standing by with our next questioner here in Charlotte.

Ms. Hindrew. Mr. President, obviously tobacco is near and dear to the hearts of those in the Carolinas. This gentleman has a question about that cash crop.

Community Values and Prayer

Q. Good evening, Mr. President. Initially, I wanted to ask you a question about tobacco products, but I also realize that North Carolina is considered also as the Bible Belt, and I want to ask, since the Supreme Court ruling took prayer out of schools, the divorce rate, drug abuse, and violence has at least doubled. The following year, President Kennedy was killed. What other answer, as a Nation who claims "In God we trust," do we have against these problems?

The President. Well, I don't think you can make a very—with all respect, I think the Supreme Court decision has been carried to the extent that I don't agree with. I agree with the original Supreme Court decision. Let me tell you what the original Supreme Court decision said, and most Southern Baptists, which I am, agreed with it. The original Supreme Court decision said that the State of New York legislature could not write a prayer which then had to get delivered in every schoolroom in the State of New York every day; in other words, that the Government couldn't write a prayer which then everybody who worked for every school system was obligated to read in every school every day. That's all it said. That's what it said.

Now, it's been carried to such an extent now where they say, some people have said you can't have a prayer at a graduation exercise. I personally didn't agree with that. Why? Because if you're praying at a graduation exercise or a sporting event, it's a big open air thing, and no one's being coerced.

I'm just telling you what my personal opinion is. I can't rewrite the Supreme Court decisions.

But I agree that the Government should not be in the business of requiring people to pray or telling them what prayers to pray. I do not agree that people should not be able to freely pray and to acknowledge God. We have a chaplain in the Congress, in the Senate and the House. So one of the most difficult decisions we've always had to face as a people is how we can have the freedom of religion without pretending that people have to be free from religion.

The Congress has tried to come to grips with this in two or three different ways, and is trying to make it clear, for example, that school facilities could be made available for religious activities on an equal basis or that people could have periods of silent prayer where they're free to pray their own prayers.

I think what you're saying has some merit in the sense that Government programs can never supplant the role that has to be played by the family, by the church, by community institutions, by people that communicate values to children one-on-one. So I think what we have to do is to try to find ways, continually to find ways in which a society can communicate the values that hold people together.

And let me just say one thing, I think, that I've been advocating for nearly a decade now. I think that there ought to be a set of civic values that everybody can agree with that ought to be taught in our schools: good citizenship, respect for others, don't solve your problems violently, don't cheat and lie and steal, you know?—basic things that ought to be taught clearly and explicitly in the schools, plus, having periods where people can do quietly whatever they want to do. In other words, I think we can work this out in ways that recognize that you just can't have a value-free society. You can't do it. You can't hold people together unless we all agree on certain rules that make it possible to raise children and for us to live in peace together.

Tobacco Tax

Ms. Hindrew. Mr. President, I'll go back to this gentleman's original question, which did have to do with tobacco. This is obviously

a large tobacco-growing area. Your administration wants to ban tobaccos or smoking in the workplace, and also you have proposed raising taxes on tobacco. What do you say to farmers in this area who say you're trying to put them out of business?

The President. Well, first of all, we do not propose banning smoking. The proposed regulation is based on a lot of evidence that people exposed to smoke can also contract cancer and other health problems. So what we propose to do is to say that if smoking is going to be allowed in the workplace, it has to be in separate rooms that are separately ventilated, that are properly ventilated, to protect nonsmokers from the benefits of secondary smoke. That what we propose. And I think that's the right regulation.

On the tobacco tax, basically I attempted to put this whole health care program together without any new taxes. But we have to be able to pay for whatever we do. We don't want to run the Government deficit up. The proposal is that the Government will pay for the unemployed, that is, public funds will pay for the unemployed, and insurance will pay for the employed. In order to do that, we have to have some revenues. I propose that it come from two sources: one, from big companies that will get the biggest windfall from our changes, and two, from the tobacco tax, because tobacco's the only thing that, based on the health studies we know, there is no reasonable amount you can use it without getting hurt. So I thought it was a fair tax.

I know a lot of wonderful people grow tobacco, and it's been good to a lot of farmers. And believe me, the people that represent you in the Congress are not going to let anything be done without some effort to make sure—that the economic implications are considered on the people of North Carolina. But I still think it is a fair and reasonable way to deal with the terrible health care problem.

Mr. Donovan. Thank you, Mr. President. We will continue in just a moment with President Clinton and more questions. Stay with us.

[At this point, the television stations took a commercial break.]

Mr. Donovan. Welcome back to our town hall meeting. We're back with President Clinton and ready for more questions. And I'll direct your attention this way, sir, another question from Charlotte.

Ms. Hindrew. Mr. President, our next question.

Q. Mr. President, how about them Razor-backs?

The President. I was very proud of them. But it was a great game, too. I almost had a heart attack. I thought you all would have to visit me in the hospital tonight if we had lost that game. *[Laughter]*

Whitewater

Q. On a more serious note, Mr. President, with recent news reports about the First Lady's cattle futures earnings and with all these Whitewater allegations, many of us Americans are having a hard time with your credibility. How can you earn back our trust?

The President. First of all, I've not been accused of doing anything wrong. I'm still waiting for the first credible source to come up and say what it is I did wrong. Consider this, has any other previous President ever had to say, "Here's what we did 16, 17 years ago"? We lost money on one thing, so they attacked us on that. Then we made money on something, they attacked us on that. We paid our taxes. You now have all my tax bills, going back to 1977. I agreed to have a special counsel look into this just so I could have your trust back but, more important—because the press said that's what they wanted—so we could go back to work.

So the Watergate special counsel, Sam Dash—the man who handled Watergate—said, "Bill Clinton's not like previous administrations; they haven't stonewalled, they've given up all the information. Every time there's a subpoena they quickly comply." I've claimed no executive privilege; I've looked for no procedural ways to get around this. I say, you tell me what you want to know, I'll give you the information. I have done everything I could to be open and above board. They asked my wife about the commodities trading; she showed the reporter who asked about it all the trading documents we had all these years. She'd saved all those records;

she showed them as soon as they asked about them.

So no one has accused us of doing anything illegal. We were attacked for losing money; we've been attacked for making money. And it was the only money we ever lost or made to amount to anything on investments. And it happened 15 years ago, and we've given all the information to this special counsel. If we did anything wrong, he'll find it out. All I've asked to do is let the poor man do his work—I've given him all the information—and let me be President in 1994, while somebody else worries about what happened in 1979. That's what I've asked.

Mr. Donovan. Mr. President, if I may follow—

The President. Let me just say this, I was elected Governor of my State five times. No one ever, even my roughest enemies, my strongest opponents, never suggested that there was a hint of scandal in my administration, that anything—and no one has accused me of abuse of power in this job, and no one will either. You will not be ashamed of what I do as President. And I tell you, what we need is a little perspective here. I said, okay, let's have this special counsel, and I will shovel him all the information I have. I'll answer all the questions they want to know. But I need to go about being President, worrying about the problems of the American people in 1994.

Q. Mr. President, are you one of us middle class people, or are you in with the villainous money-grubbing Republicans? [*Laughter*] I mean, that's where my question came from. I'm sorry.

The President. Well, let me say this. I grew up—I don't think that all Republicans are villainous. Sometimes I wonder in Washington, but I don't really think that. I believe that it is perfectly legitimate for people to invest money and risk it and make it or lose it; that's the free-enterprise system. What I did criticize about the 1980's, and I believe I was right, is that there was too much making money by pushing paper around in ways that cost people jobs and didn't increase the strength of the American economy, where you had people running companies, for example, taking pay raises 4 times as great as their workers got, 3 times as great as their

profits went up, throwing people out of work, taking their health insurance away, and taking the money and running. That's what I didn't like.

But I think we have a stock market, we have a commodities market, we have a real estate system in America, and people have to invest their money and risk it. And if you invest money, sometimes you're going to make it, and sometimes you're going to lose it, whether you're a Democrat or a Republican or an Independent. I think that's good. What you don't want is an abuse of the system in ways that hurt the public interest. And I think that's what we have to guard against. And I'm trying to give us an economy where people will want to invest more money, want to put more money at risk in ways that create more jobs for middle class people.

I grew up in what you would charitably call a middle class family, at least by Arkansas standards; I don't know what that means in other places. And I had a good education. A guy said to me today, he said, "I like you. You were born without much, you got a good education, and you overmarried; you're kind of like me." [*Laughter*] That's what a guy said to me in Troy today, so that's about the way I feel.

Thank you.

Hillary Clinton's Investments

Mr. Donovan. Mr. President, if I may follow up on that, aside from the profit and loss, you pledged with your administration an administration that would work hard and play by the rules. There are analysts, however, that feel in terms of Mrs. Clinton's investment in the commodities, that that investment was not handled by the rules. In fact, it appears to them it was given preferential treatment to protect her from any potential loss.

The President. That's just not true.

Mr. Donovan. What can you tell us tonight that would prove them wrong?

The President. They must have never gotten a margin call in the commodities market; because she did, and she was about to have a baby, and she got out of it. I mean, all I can tell you is she had plenty of money at risk, and she could have lost it. And she

actually did lose some money as well as making money.

She gave all the records to the people who asked for it, and they reviewed it. And it's just not true. It's not true that she didn't. She got advice to go in it from a friend of ours who was quoted extensively in the New York Times. They got into a very good market, and they made some money. A lot of the people who got into it at the same time in our area stayed in it too long and lost some money. She got cold feet and got out, and that's the only reason she didn't lose the money that she made. And I think that's the kind of thing that happens in the market every day. It's just not true. The records are there. You can look at the records. And she paid taxes on everything she made. And it's not true that she didn't have anything at risk.

Some of these same people also asserted for weeks and weeks and weeks that I didn't lose any money in the Whitewater thing. Now, the man that was head of the IRS for years has reviewed all the records, and he said we plainly lost money; we plainly paid the taxes we owed. You look at the taxes we paid, the percentage of our income we paid in taxes. I'm like most of you, I gave my records every year to an accountant, and I told them to resolve it out in favor of the Government. I never wanted anybody questioning whether I had paid the taxes that I owed, because I wasn't in my line of work for the money. I wanted to pay what I owed. And I have paid a significant percentage of my income in taxes every year, as I should have. And I have never tried to avoid paying what I owed.

So it's just not true that she did anything wrong or that I did anything wrong. And if we did, that's what we've got a special counsel for. And we've given him all the information. And everybody that's reviewed it said we haven't behaved like previous Presidents, we haven't stonewalled, we haven't backed up, haven't done anything. We've just given him the information. Everybody that's looked at this has said we've been very open with this special counsel. So let him do his job and let me be President. That's what I think we ought to do.

Mr. Donovan. Mr. President, I'd like to direct your attention this way. And we'll go to our next question, this one from Roanoke.

Q. Good evening, once again, Mr. President, from Roanoke, Virginia. Our next questioner tonight is president of the Roanoke Regional Homebuilders Association.

High Cost of Lumber

Q. Mr. President, during the past 2 years, the cost of framing lumber has almost doubled, increasing the cost of a modest home by approximately \$4,000. This cost increase has eliminated thousands of borderline buyers from the market. How will your forest plan dealing with the Pacific Northwest balance the environmental concerns with the issues that are driving up the cost of lumber?

The President. Well, first, one of the reasons that the cost of lumber has gone up so much is that we had an explosion in building, because interest rates went down so low, the lowest we've had in over 20 years. And we drove them down real low last year with the deficit reduction plan. And there was a big spurt in building, so there was a shortage in lumber, so the price of lumber went up. That's always going to happen.

It is true that we've had to cut way back on clearing timber in the so-called old growth forests of the Pacific Northwest because there wasn't nearly as much timber up there as we had thought, and it takes forever and a day to grow those trees, something like 200 years a tree.

So what we've tried to do, sir, I guess, will both help and hurt the situation. We have adopted a ceiling for timber cutting that is lower than the ceilings of the past. That will hurt, from your point of view. What will help is, we have moved aggressively to actually start cutting those trees again. It's been years, as you know, it's been years since any trees at all have been cut up there because it's all been tied up in environmental lawsuits in Federal court.

So what we're doing, we just got permission to start cutting trees, and we're trying to move so that we can cut the trees we can without losing the old growth forests. Only 10 percent of the old growth forests of the Pacific Northwest is still up there. And I don't think that in good conscience and le-

gally we can allow it all to be destroyed. But we can clear more timber now if we can just keep pushing ahead and get these things out of the courts and back on the land where they belong.

Mr. Donovan. Mr. President, I'd like to direct your attention back to home base here, and Kim is standing by now with our next questioner.

Ms. Hindrew. Mr. President, this gentleman is here with a question on foreign policy.

Bosnia and North Korea

Q. Mr. President, in view of the recent downsizing of the military and the perception of waffling on using military force in the former Yugoslavia, how can we be taken seriously by North Korea when we threaten force, if necessary, to seize sites not voluntarily open to international inspection?

The President. First of all, I have to correct your premise. I was very clear all during the campaign of 1992 that I did not think we should send our ground forces in to get in the middle of a civil war in Yugoslavia but that I would support using American forces as part of a NATO force if there could be a peace agreement and that I would make our air power available to support the United Nations mission there.

The United States took the lead in getting NATO to agree to do that last August, and as you know, the United States and NATO flights shot some planes down in Yugoslavia recently. And nearly everybody I know, sir, believes that it was the leadership, the aggressive leadership of the United States, which led to the cease-fire around Sarajevo, which helped to get the agreement between the Bosnian Muslims and the Croats and which has made the progress that we've made. So I don't believe that we have been vacillating at all. There were some planes that were shot down in the former Yugoslavia as the result of the strength that we showed there, as we did in Iraq. When I received concrete evidence that there was an assassination attempt on former President Bush, we took military action there.

Now, the question is: What should we do with North Korea? This is a very serious thing. North Korea has said they want a non-

nuclear Korean Peninsula. North Korea has said they want to get along with South Korea. It is the most isolated regime in the world today. Nobody wants them to develop nuclear weapons, not China, their old ally. China doesn't want them to become a nuclear power. Japan doesn't want them to become a nuclear power because they don't want to have to think about developing nuclear weapons. South Korea certainly doesn't. Seoul, South Korea, by far the biggest city in South Korea, is very close to the North Korean border.

The question, sir, is: What is the proper way to try to get North Korea to comply? And what we have done is to try to work very closely first with the South Koreans—whatever we do, we have to do in partnership with them—and with the Japanese and the Chinese, pushing firmly, firmly, firmly, to get the inspections. We got more inspections. They didn't do everything they promised to do, and so now we've got the United Nations to make a very strong statement that they have to do it. If they don't do it, we'll continue to go forward.

But this is a very delicate thing. It's easy to talk about and difficult to do. North Korea and South Korea are right there together; their armies are facing each other. Seoul is a very big city on the border of North Korea. And we've got to work closely with the South Koreans and the others, and we're going to be very, very firm about it. But if I say we're going to do something, we're going to do it. I'm not going to threaten something that we're not prepared to do. I think what we should do is say less and do more in international politics.

Ms. Hindrew. Mr. President, several months ago, in November of last year, you said we will not allow North Korea to build a nuclear weapon. We now believe that there are at least two nuclear weapons and possibly a third. When you say we will not allow them to build it, what are you willing to do to stop them? And what are you willing to do now that we believe they have them?

The President. Well, the intelligence community believes now something they did not believe at that time, which is that they may have a rudimentary nuclear weapon which may or may not even be deliverable,

but which may be a bomb in a literal sense. That may or may not have happened. You've seen that in the press.

We have to see what our options are. One of the things we can do is to continue to put economic pressure on North Korea. But if we do it through the United Nations, we have to carry along with us the South Koreans. After all, the South Koreans have the biggest stake. We have the next biggest stake because we have 40,000 soldiers in Korea. The next biggest stake is in the Japanese who are right there handy. And we have a lot of options short of the military option to continue to make it a very painful decision for the North Koreans to do. So we have not ruled out any of our options, and we will continue to press.

Ms. Hindrew. Specifically, what are those options? Economic sanctions don't seem to—

The President. Well, there's all kinds of economic—well, no, we haven't imposed economic sanctions yet.

Ms. Hindrew. No, we haven't imposed economic sanctions, but most analysts say that economic sanctions won't help.

The President. They may or may not. They may or may not. Economic sanctions have done a lot of damage in the places where they've been imposed. They just don't have immediate results.

Ms. Hindrew. Except North Korea is a different situation. It's incredibly isolated; it's very self-sufficient.

The President. It's not very—actually, it depends on how you define self-sufficiency. It's not doing—they're not doing very well.

Ms. Hindrew. No, they're not doing well, but they're still self-sufficient and they're not doing well.

The President. Well, that's right. So if they do even worse, then they'll have to pay a price for their irresponsible conduct. The thing I said to the North Koreans through formal and informal channels is, what are they getting for this? They get nothing for this. They literally are getting nothing. All they're doing is becoming more and more isolated. They're making themselves poorer. They're making themselves more alienated. Even the Chinese don't agree with what they're doing.

China now is doing 10 times as much business with South Korea as North Korea. So what we have to do is to try to find a way to reach them, get them to come to their senses, keep the commitments they've made. But it's very easy to talk tough here. You have to think about what the consequences are. I am determined to keep putting the pressure on, but I do not believe it serves any useful purpose to inflame the situation with rhetoric. That's what the North Koreans have done; it's a big mistake. We are sending Patriot missiles there. We can resume our military exercises there. We can impose stiffer economic sanctions. We have a lot of options there that we can still explore.

Mr. Donovan. Thank you, Mr. President. And I'll direct your attention once again to the monitor. We go to Austin, Texas, for the next question.

Q. Mr. President, we'd like to go back to a point you raised a little earlier about the economy. Austin is in the midst of a building boom of sorts, not because of any natural disaster but because there are so many people who are just trying to move into central Texas. This gentleman has been in the area since about 1987. He is a money manager, and he has a question about interest rates.

Interest Rates

Q. Mr. President, in 1993 when interest rates were declining, your administration took credit for that. But now both long- and short-term rates are higher than when you took office. Will your administration now take responsibility for higher rates?

The President. Why do you think they went up?

Q. Well, I'm asking you.

The President. I'm asking you. You asked me to take responsibility, so I ask you why. They plainly went down after we declared our deficit reduction package. That's why they went down. They have gone up, I think, for two reasons, maybe three.

One is we had 7 percent economic growth in the last quarter of last year. That's the most economic growth we have had in 10 years. Second—we had 458,000 new jobs come into this economy in the month of March alone. That's the most new jobs we've had in any given month in over 6 years. When you have

that kind of growth, some people are going to think that inflation is coming back in the economy, and interest rates will go up.

Secondly, I think there was an overreaction to what the Federal Reserve did. The Federal Reserve raised short-term interest rates in the hope that they would send a signal that they were going to fight inflation and that long-term rates would stabilize. Instead of that, the market overreacted to it.

The third thing that happened is most everybody in America thought the stock market was somewhat overvalued. When people pull their money out of the stock market, if they put their money into other securities, that will tend to raise long-term rates.

I think those are the reasons they've gone up. The issue is, are we going to continue to have economic growth or not? I think we are. And if you ask me to take responsibility because interest rates went up where we had 7 percent growth in the last 3 months of last year and 458,000 new jobs in March, I'll be glad to take responsibility for that if that's what you want. That's what I call a high class problem.

I do think that the markets are overreacting to what the Federal Reserve did. And I hope that they'll settle down. I hope the stock market will settle down; I hope the interest rates will go back down. But we still did the right thing, sir, to keep trying to bring the deficit down. And I still think we've got to pass this budget that will eliminate 115 programs, cut 200 and something others, and give us 3 years of deficit reduction for the first time since Harry Truman. I think we ought to do that. I think it's good economics.

Mr. Donovan. Back to Charlotte now, Mr. President. And we have our next question from a young lady; Kim is standing by with her.

Ms. Hindrew. Mr. President, I have an 11-year-old girl, and she has a question on crime.

Crime

Q. How do you think you could help improve the crime—I mean help stop the growing crime rate in our country?

The President. I think we have to do a lot of things. I think, first of all, really serious criminals who continue to repeat their crimes

endangering people should be put away for longer periods—that young girl, Polly Klaas, who was kidnapped and killed, about your age, by a person who had done something like that before. A relatively small number of the criminals in this country are repeat offenders and truly dangerous. Those people can be identified with some accuracy, and they ought to be subject to our “three strikes and you’re out” law. The second thing I think we need to do is to have what the police chief in Austin said, we have to have police that are on the street working with folks like you, making it safe for people to go to school, safe for children to be in school, and reducing the crime rate. The third thing we ought to do is to begin to take these dangerous weapons out of the hands of these young gang members and other people who do not have them for sporting or hunting purposes. And the fourth thing we need to do is to begin to teach young people, when they’re your age and younger, nonviolent ways of dealing with their frustration and their anger and their differences. You’ve got kids just up and shooting each other today. The Mayor of Baltimore told me a heart-wrenching story about an 18-year-old young man on Halloween day last October who was taking two little kids down the street and was shot dead by a 13-year-old who was just dared to do it by another teenager. These kids have got to be reached. We’ve got to reach these kids so they don’t do that, before they become terrible problems. That’s what I think we have to do.

Mr. Donovan. Thank you. As you make your way back over here, Mr. President, we’ll get ready for our next question, which will come to you from Bristol, Tennessee.

Mr. Hawkins. Mr. President, I’m here with this gentleman, and he has a question about the national debt.

The Economy

Q. My question has to do with the national debt and the deficit that seems to be climbing and increasing all the time. I know you referred to this in your opening remarks, but we’re concerned about Social Security and about who has to pay this debt and inflation that might have some bearings upon it. My questions are, should we really be con-

cerned? And what is being done in a substantial way to deal with this? And when will this be resolved and no longer be a problem?

The President. Let me say first, with regard to Social Security, right now the Social Security tax brings in more money than is necessary to pay out in Social Security every year. And Social Security should be stable for quite a long while now. I don't think you have to worry about that.

Secondly, does the deficit matter? Yes, it does. It matters when we have to take 15 cents of every dollar you pay in taxes to pay in interest on the debt. That's money we can't spend on education or health care or jobs or something else. And it can weaken our economy, because we have to borrow money sometimes from overseas.

Now, if we keep going, right now, the real way to look at the deficit is, what is the percentage of our deficit as a percentage of our national income? If you look at it that way and compare it to all the other major economies of the world, our deficit now, we've gotten it low enough so that it's smaller as a percentage of our national income than any of the countries we compete with, major economies, except one, except Japan. And if we keep going, we'll get it down below that. We have to keep driving it down.

The only way to get it to zero is to go back to the very first question I was asked. The only way to get it to zero, because we're cutting defense all we can, and that gentleman made—I don't think we can cut it any more. And I'm very concerned. I don't want the Congress to cut defense any more than is in our plan in this budget session. We're cutting defense already. We're cutting domestic spending that's discretionary for the first time since 1969. The only thing that's going up in this budget is that health care costs are still going up at 2 and 3 times the rate of inflation. So the only way we can get the deficit down to zero now is to bring health care costs in line with inflation. And that's what I'm trying hard to do. And I hope we can do that.

But as long as the deficit is going down instead of up, which it is now, it will be a smaller and smaller percentage of our income, and our economy will be stronger. And I think you can be confident that we're going

in the right direction. And that's the important thing. We're going in the right direction not the wrong direction.

Mr. Donovan. Over here now, Mr. President, our next question from Charlotte.

President's Travel Costs

Q. Mr. President, I don't mean any disrespect, because I'm an avid sports fan. But I'm also concerned about frivolous spending in Government. I would really like to ask what did it cost the taxpayers for you to attend the games?

The President. I really—I don't know. But one of the reasons I scheduled this and I put this health care thing together here was because we had already planned for me to be out all week long doing this. And I had not been to North Carolina to do an event like this. So we decided that it would add no extra, except whatever it cost to prepare me to go in and out of that arena. And that's mostly because of the security.

But I would say to you what you have to decide is whether you think the President should either give up the Secret Service or should, for example, never throw out the first ball on opening day of baseball season. Because one of the things that's happened, particularly since President Reagan was shot back in 1981, is that the security surrounding the President—and especially since the violence has gone up in our country—has increased greatly. And it does, it costs too much money, and it's too disruptive to take the President around. I mean, to me it's really a troubling thing coming as I do from kind of ordinary surroundings in a little State where my lifestyle was very informal.

But I think what the American people have to decide is whether they want the President to stay home in the White House all the time. If you want the President to go out and be either a normal citizen contacting other citizens or do things the President normally does, like throwing out the first ball in baseball season, then you have to be willing to say that that's an ordinary part of the cost of being President.

Now, when I do go out for political events, for example, if I go speak to a fundraiser for somebody, they have to pay the cost of my going there. So if I do something political,

that's—or any President, the same was true for President Bush and President Reagan—then you don't bear that cost; that is covered. But if we do something that is not political, you do bear the cost, even if it's what you might call—what you said, frivolous. I mean, if I go on vacation, the Secret Service goes with me; so that I pay for the cost of my personal expense on vacation, but you pay the cost of all the Presidential apparatus being there. That's something that has always been true and is now more costly, especially since the attempt on President Reagan's life.

Mr. Donovan. Thank you, Mr. President. We—

The President. I don't blame you, I didn't think it's disrespectful. It bothers me, too.

Mr. Donovan. We'll let you relax for a few moments. We'll take a break and come back with more questions for President Clinton.

[At this point, the television stations took a commercial break.]

Mr. Donovan. Welcome back to our live town hall meeting with President Clinton. Questions continue now from Charlotte, Bristol, Austin, and Roanoke. And our next question from Charlotte, Mr. President.

Q. Mr. President, I have with me a gentleman with a question on health care.

Health Care Reform

Q. Thank you, Mr. President, and thank you to the NBC for giving me this opportunity, and I thank God for allowing me to be here today.

Mr. President, I'm a temporary worker and have applied for a job in a number of places. The reply always comes, "You're not qualified for a job." I applied for a temporary agency. Within a day I was called and sent to work with another company to which I had previously applied and I was not accepted. And this time, working as a temporary agent, I do not have any kind of benefits, no insurance, and working so hard making too little. I want to ask, is the Labor Department aware of the agony that the temporary workers are going through in this country? If they do, what are they doing about it? My second question is, working so hard without any insurance, in your health care plan, what

benefits would that apply to the temporary worker working so hard without any insurance at all? Thank you.

The President. Thank you. First of all, I think a lot of you probably know this, but one of the reasons for the explosion of temporary workers in America may be that the employers don't have to pay for the benefits. So that's one of the things that happened.

Under our plan, here's how it would work. If a temporary worker worked 10 hours a week or more, the employer would have to pay a portion of the health insurance premium for the employee and the employee would have to pay a portion, and then we'd have a pool, a Government-funded pool, that would pay the rest. Because it isn't fair to make the employer pay the whole thing, for example, if the temporary worker's only working 20 hours a week, or 15 or 10; they would pay a portion. Then if it was 30 or more, the employer would just have to cover the temporary worker as long as the worker worked for the employer as if the employee were a regular employee. So you would be covered as a temporary worker always. And I think that's very important.

Let me just make one related point. I have spent a lot of the last 12 years of my life trying to figure out how to help people who are on welfare get off of welfare and go to work. We just made a big change in the tax laws in America, cutting income taxes for almost 17 percent of the American people who work for very modest wages and are just above poverty line because we want to make sure that people always have an incentive to work.

The next big problem is making sure people have health care. A center here, right here in Charlotte, North Carolina, just reported in the last couple of days that having interviewed welfare recipients in Tennessee and North Carolina, 83 percent of them said they would take a minimum wage job and leave welfare if they had health coverage for their children. So I'm just supporting what this gentleman's saying. That's why it's very important. Our plan would cover that for you.

Mr. Donovan. Thank you, Mr. President. Our next question, once again, from Roanoke.

Ms. King. And it is related to the previous questioner's question tonight but from a different perspective. I'm here with a small business owner who's concerned with the rising cost of health care insurance under the new health care reform plan.

Q. What I would like to express as a small business person—we have 70 employees, I'm a GM dealer, and our present health cost is \$39,000 a year. We computed the health costs on the new proposal that you have where we would pay 80 percent of all the employees and all their dependents. And using the same insurance cost under that new proposal, our cost would be \$184,000 a year, or a \$144,000 increase. My question to you, sir, is will the Government help small business people subsidize this cost, and if they will, what percent will it be?

The President. Well, first of all, is 8 percent of payroll—is that what 8 percent of payroll is for you?

Q. Question? What was that?

The President. Would 8 percent of payroll be \$180,000?

Q. Eighty percent—eighty percent is your proposal, sir.

The President. I know. But there is a ceiling; even for the most prosperous businesses, no one can pay more than 7.9 percent of payroll. For small businesses that are eligible for a discount, it can go down as low as 3.5 percent of payroll. That's the maximum in a sliding scale in there.

Let me ask you a question. We don't want to take everybody else's time on this. I would appreciate it if you would actually write to me personally and send me this information. The short answer to your question is, no employer can pay more than 7.9 percent of payroll under our plan. Today, on average, American employers pay between 8 and 9.5 percent of payroll for health care. Small businesses with low average wages are eligible for discounts that will take the payroll costs down as far as 3.5 percent of payroll. I would not favor a small business mandate unless we can provide a discount to small businesses because there are too many that can't afford it.

I will say this, though, since you talk about the car dealership. I grew up in the car business, and I had a car dealer from Arkansas

and his family staying with me the other night. And he pointed out he provided health insurance for 20 years, as you have, and his is right at 8 percent a payroll. And he said none of his competitors had done it, but he'd put three competitors out of business even though he had to pay it because he never lost any employees. So it's hard for me to believe that your payroll costs would be that great with only 70 employees, and that's why I'd like to ask you to write.

There's a ceiling of 7.9 percent for all businesses. Small businesses, depending on their size and their wage, are eligible for discounts that could go down to a low of 3.5 percent. That's how it would work.

Mr. Donovan. Mr. President, our next question is from here in Charlotte, and Kim has the next questioner for you.

Ms. Hindrew. Mr. President, we have a woman here; she's a student.

Immigration

Q. Mr. President, my question concerns the high unemployment and lack of higher education for the immigrant Hispanic community. Certain areas, like southern California, have been affected to the point of considering anti-immigration measures. I hope the Federal Government can take steps to educate and train Hispanic immigrants so that the States will not feel forced to take such drastic measures. Can you tell me your ideas on this issue?

The President. I do think we should do more on education and training. But I also have to tell you, I think we should do more to keep people who are not legal immigrants out of the country if we can.

Now, we're a democracy with a vast border, so our ability to keep all illegal immigrants out is somewhat limited. But we have laws in this country that I think ought to be—I have encouraged immigration. I believe in immigration, but I think people should come here legally. And you know, there are people that have been waiting years to get in this country and who won't violate the laws. And people who come against the law get around that and get ahead of the ones that have been waiting years to come in. I don't think that's fair. So we're trying to stiffen the borders.

Now, when people are here, I think more of them should go to college. And I think more American citizens should be able to go to college. What we've done there is to try to lower the interest rates on college loans, stretch out the repayments, and permit more young people to earn money against college by doing community service. Those are the three things we're doing to try to get more education and training for kids that otherwise couldn't afford it who are legally in this country, whether they're citizens or legal immigrants.

Mr. Donovan. And we go next to, Mr. President, to Austin, Texas. And I believe they have a student there with a question for you.

Ms. Holiday. We do have a question from a student. Austin, of course, is the home to the University of Texas, where there are some 50,000 college students alone, plus there are several other colleges and universities in the central Texas area. This gentleman is a senior majoring in economics at UT. And he is also the student body president. His question is of concern to virtually every college student in America, I would guess.

College Graduates and Unemployment

Q. Good evening, Mr. President. Basically, in my tenure I've observed that there are two major concerns outside of academics that students have. One is how do I pay my bills while I'm in school, and, two, how will I pay them when I graduate, or more specifically, will I be able to find a job? In light of legislation, such as, as you said, the national service act and the current economic situation with health care, all these pulling on the economy, what other things, what other roles do you think the Federal Government should play in helping students out with this particular dilemma?

The President. Well, first, let's talk about how you pay your bills when you're in school. My goal was when I became President to make sure that money was never a reason young people did not go to college. We know that the unemployment rate in America for high school dropouts is 11.5 percent. The unemployment rate for college graduates is 3.5

percent; with all the job problems, it's much lower.

So we are redoing the student loans so that the interest rates are lower and the repayment terms are better and you can get the money you need while you go to college. There also, year after next, will be 100,000 positions in America in community service so people can earn credit against their college—you can get the money to go to college while working in their communities.

Now, when you get out, if you can get a job, and I'll come back to that in a minute, under our plan, you can pay these college loans off as a percentage of your income no matter how much money you borrow. So the last thing I have to do is try to create more jobs. And I'll go back to what I said opening the program. In the last 14 months, our economy has produced 2.3 million new jobs. In the previous 4 years, the economy produced only a million new jobs in the private sector. So we're trying to make 8 million in this 4-year period, as opposed to about a million in the last 4-year period. If we make it, there will be more jobs for young people. That's what we have to do. And so far we're on track. We're on track to make that 8 million. And we've got to keep doing it.

That's all I can tell you. There's nothing else I can do except to keep trying to create more jobs and help the private sector to create more jobs.

Mr. Donovan. And back, now, Mr. President, to Charlotte for our next question, Kim with the next questioner.

Teenage Pregnancy

Q. Due to the rising teen pregnancy, do you plan to increase the amount of sex education given in schools?

The President. I think we should. It is largely a decision to be made at the local school district level. But I have worked on this problem for a long time; when I was a Governor I worked on it. And I can tell you what I've seen from my own experience works—what I believe works.

I believe if you have programs in the schools which are supported by community leaders, including religious leaders, which do two things: number one, tell young people that the only completely safe way to avoid

teen pregnancy is to abstain from sex but that also, here is how your body works, here's what causes this, here's how families are built, here's how it all works, and here's what you should do to protect yourself so that you do not get in a position where you have an unwanted, premature pregnancy—I think those kind of clinics work. I know they do; I have seen them work, if they are supported by the community. And I could give you example after example where it's happened.

I personally believe it is a great mistake to pretend that this problem doesn't exist and to say that somebody else is going to handle it. This goes back to what this gentleman said. If we don't deal with this in the schools, I don't know where it will be dealt with. Now, I know a lot of religious leaders think that if you discuss this in schools, you'll be encouraging children to have sexual relations prematurely. I personally don't believe that because of the evidence. I think it's better to tell kids the truth, tell them they ought not to do it, tell them if they do it, here are the consequences and here's how to deal with it. That's what I think; I think we should be very up-front.

But it only works—I have seen this, I have seen this issue tear communities apart—it only works if you bring the community people, including the leaders of the community of faith, in on the front end and honestly and frankly discuss this. I saw a community in my State where a Methodist minister sat on a committee that voted to give the nurse in the health clinic the authority to distribute condoms. I saw another community which voted against doing it. Both communities had a decline in teen pregnancy because they agreed on the values that would be pressed, and they tried to get these kids to save their own lives and their future. So I think we can push it at the national level, but there has to be a belief at the local level that your life and your generation's life is worth fighting for.

Mr. Donovan. Mr. President, I'll direct your attention, once again, to the monitor. And our next question comes to you from Bristol.

Mr. Hawkins. Mr. President, a gentleman here has a question about Whitewater and integrity.

President's Record

Q. Mr. President, given the fact that during your campaign you supported a middle class tax cut that you did not support after your election, that you criticized the former administration as to its handling of Bosnia, Haiti, and China, but rhetoric aside, your administration has pretty much continued with those same policies—and those are just two examples, a more recent example being conflicting statements made, or advancing credulous statements made, regarding tax returns formerly filed by you and your wife. Given all of that, why should we believe you as to Whitewater allegations or as to statements made or positions taken by you as President?

The President. Well, first of all, let's go through each one of those issues. If you take the Whitewater issue, you don't have to take my word for anything. Look at my tax returns. When's the last President that went back 17 years before he became President and gave his tax returns up? Just look at them; don't take my word for it.

A former commissioner of the IRS said that all the Republican attacks on me saying that I owed more taxes and that I made money instead of lost money on Whitewater were flat wrong. I have been the subject, sir, of false charges. People saying things about me that are not true don't make my credibility an issue. They make their credibility an issue, not mine.

Secondly, we have a different position on Bosnia, a different position on Haiti, and a different position on China. We have not solved the Bosnian process, but I would remind you that because of the leadership of this administration, we have got an agreement now with the Europeans that we worked with. There is a safe zone around Sarajevo; there's an agreement between the Bosnian Muslims and the Croats; we are making progress in Bosnia. We have a significantly different policy in China that a lot of people disagree with, but it's clearly different from the policy of the previous administration. On Haiti, our policy in Haiti is different. Our policy on return of the Haitians is the same because I became convinced, after I became President, that hundreds and hundreds of Haitians were going to die trying to come to the shores of this country unless

we set up a system that would allow them to apply for refugee status in Haiti before they came here. And we have set up a system that did not exist when I became President to allow the Haitians to apply for refugee status in Haiti before they came here. So I just disagree with that.

On the middle class tax cut, let me just point out to you, sir, that after the election, the deficit by the previous administration was revised upward by more than \$50 billion in the next year. I didn't do that; I didn't have control of those figures.

So here's what I had to do. Do I go through with a whole middle class tax cut and let the deficit balloon and have interest rates higher and weaken this economy? Or do I tell the American people the truth, which is what I did: The deficit is bigger than I thought it was going to be, so I can't go the whole way. I'm going to give 17 percent of the working people in this country an income tax cut, which you never heard about last year. On April 15th, 1.2 percent get an income tax increase, 17 percent almost—16.6 percent—get an income tax cut. And I still believe there ought to be a family tax credit for the rest of middle class America. But I have a 4-year term, sir, not a one-year term.

I haven't abandoned it; I can't get everything done in one year. I'm doing the very best I can and, by the way, the independent analysis last year said that we got more done in the first year of our Presidency than anybody in the last 30 years. So I haven't given up on that commitment; I just can't get it done. I think I have done a remarkable job of doing what I said I would do, and I think you ought to trust me.

Mr. Donovan. Mr. President, we're back to home base for our next question.

The President. You ought to be free to disagree with me, but disagreeing with me is different from trust. We ought not to mix our apples and oranges here.

Ms. Hindrew. Mr. President, a gentleman has a question for you on crime.

Crime

Q. Good evening, Mr. President. There are over 2,800 convicted criminals on death row. Last year only 30 were put to death. The Federal Government, in your crime bill,

has a rule of "Three strikes and you're out," which makes a sentence for certain crimes with life without parole after three offenses. Crime becomes more violent, and punishment continually provides more liberties, with ridiculous appeals and paroles. What can we do to put the laws in favor of the citizens instead of the criminal?

The President. First, I believe as I said, that "Three strikes and you're out" laws will help. You just passed one here in North Carolina, too. Keep in mind, most criminal law, folks, is State law carried out by local prosecutors and local police forces. That's why I think what I can do is to help change the environment: more police, deal with the assault weapons, give the local folks the resources they need to fight crime and to help kids before they get in trouble.

I also support capital punishment, and since 1981 have been on record, at least since then, in trying to accelerate the appeals process. I think it is wrong to have appeals processes that take 6, 7, 8, 9 years. And there are things that can be done to accelerate that, which we are debating in the Congress as well now.

But I think it's important—what you need is certainty and clarity of punishment. We need a clean, meaningful, credible "Three strikes and you're out" law. We don't want to put the kitchen sink in there. Take the serious violent offenses and put them there. And then the States that have these laws should enforce the laws, whatever they are. That's what I believe.

We had a capital punishment law in Arkansas when I was Governor, and I carried it out. But it is not the sole answer, believe me. What you've got to do, I think, is to reduce the crime rate and—you heard the police chief in Austin—most law enforcement people I know think that putting more police on the street in the proper way, and connecting them to the community again will do more to lower crime than anything else we can do. But I do agree with you on the appeals, too.

Ms. Hindrew. Mr. President, while we're here, we have a gentleman. And do you have a question?

Q. Yes. Mr. President, first of all, I want to try to assure you that thousands of us who

have worked hard to get you in the White House to do the job that we sent you there to do, that we are behind you, and we have not abandoned you.

The second thing I'd like for you to do is, if you can, to give us some specifics as to what we as average Americans can do to help you do the job that we sent you there to do. What are some specifics that we can help you do on the local scene?

The President. Let me just give you a few, real quickly. First of all, you can tell your Member of Congress, whether you're a Republican or Democrat or whether they're Republicans or Democrats: Pass the crime bill, deal with the health care crisis, and don't let anything divert us from the major business of the country. Let's pass the budget, keep the deficit coming down, pass the crime bill, deal with the health care crisis, deal with welfare reform, act to reign in some of the excessive lobbying activities. In other words, do the country's business.

Then, here in every community—believe me, I mean, I used to live in a community, I didn't always have this job where I, to go back to what the lady said, travel around with a big retinue—if you really want to help my agenda, what can be done in your community to help people walk the streets and fight crime? What can be done in your community to put males like you, one-on-one, in touch with these young men before they get in trouble or when they're on the edge of being in trouble, to help them rescue their lives? I met a man today who works in a program like this, who introduced me to a 17-year-old boy who was orphaned, living alone in his house at 17, but still in school, obeying the law, graduating from high school, looking forward to a better life. Citizens have got to get involved in saving these children one-on-one. The most important thing you could do is to figure—in my judgment, to help carry out my agenda—is figure out whether in your community everything has been done to make the streets safe, the schools safe, the kids have a better future, recreational opportunities for kids, the kind of things that make communities strong and bridge racial and income divides that are tearing this country apart. That's what I think we have to do. If you want to help my agenda, make your com-

munity strong, and America will work. Personal volunteer time, committing to that kind of thing, that will work.

Mr. Donovan. Thank you, Mr. President. In the couple of minutes we have remaining, we'd like to have you, if you will, please reflect on what you've heard here tonight: 90 minutes' worth of questions, it's gone very fast, and you've answered a variety of questions. What will you take back to Washington with you from tonight?

The President. A deeply rewarding sense that the American people love this country and that most people in this country get up every day and go to work and do the very best they can with their jobs and with their families and with their communities, and they want me and they want those of us who live in Washington not to become diverted from their business. We have some serious problems, but don't forget, folks, we also have some great strengths in this country.

We've still got the strongest economy in the world. We've still got the most flexible economy with the greatest chance to make the changes we need to make to go into the 21st century as the greatest country in the world. And the only thing that could divert us, the only thing that can defeat us is ourselves. And I also think, frankly, I've been reassured that I think you all have a pretty realistic idea about what it is that I have to do and what it is that you have to do. We've all got jobs to do. Some things have to be done by the President and the Congress. Some things have to be done by the private sector and community leaders. Some things have to be done by the State and local government.

And I try always to think about how I can be a leader with a voice for all the people and still be very up front with the American people about what I have to do and what you all have to do. Because these are things we have to do together. The Government cannot solve all the problems of the country. But together we can solve the problems of the country, and together we can move ahead.

I always come away with this—I come away here so much more energized and optimistic because I think people are real realistic and yet hopeful out here. I don't think

the American people are as cynical as sometimes people in public life think they are. I think you all still believe in yourselves and your potential and your country.

Mr. Donovan. Congress is coming back from its break. And I'll just ask you just in a few seconds, have you heard anything here tonight that will change your agenda when you go back to Washington?

The President. No, but I'm going to tell them that near as I can tell, people sure want them to pass that crime bill and not fool around with it, do it right away. That's where we're going to start.

NOTE: The town meeting began at 7:35 p.m. at WCNC-TV studios.

Exchange With Reporters in Charlotte

April 5, 1994

Supreme Court Justice Resignation

Q. Mr. President, have you heard about Justice Blackmun's resignation tomorrow?

The President. I can't comment on it. Let's let him speak for himself.

Q. Have you spoken to him in the last two days?

The President. I have not.

Q. Have you got a short list, Mr. President?

The President. Let Justice Blackmun speak for himself. I have not spoken to him. We have to let him speak for himself.

Q. Has he written to you? Has he notified you?

The President. No. I have not talked to him. I have not talked to him or, to the best of my knowledge, we have received no letter from him. Let's let him speak for himself—some communication with him tomorrow.

Q. But given the recent shakeup at the White House, is the White House in a position to select a new Justice?

NOTE: The exchange began at 9:45 p.m. outside WCNC-TV studios. A tape was not available for verification of the content of this exchange.

Remarks on the Resignation of Supreme Court Justice Harry A. Blackmun and an Exchange With Reporters

April 6, 1994

The President. Good morning. It is my duty and my honor on behalf of the people of the United States of America to thank Justice Blackmun for his lifetime of service to our Nation.

I have received his letter announcing his intention to step down from the Supreme Court. In so doing, he will step up into our history. During his 24 years on our highest court, Justice Blackmun has become part of the rich and evolving story of American justice and constitutional law with majesty and reason, with scholarship and grace. He is a good man who has earned the respect and the gratitude of every one of his fellow countrymen and women.

When President Nixon nominated Harry Blackmun for service on the Court, his candidacy naturally occasioned a great deal of speculation about what kind of Justice he would be. Some labeled him a strict constructionist. But he rejected any attempt to tag him with a label, saying, and I quote, "I've been called liberal and conservative. Labels are deceiving. I call them as I see them." Twenty-four years later, we can say that he did exactly what he said he would do 24 years ago.

It was President Woodrow Wilson who called our judiciary "the balance wheel of our entire system." It is meant to maintain the nice adjustment between individual rights and Government powers which constitutes political liberty. Harry Blackmun has been a steady and strong hand on that balance wheel.

In cases argued before him, he found the human dimension and struck the right balance in the struggle over how we might best overcome our legacy of racism, in protecting the women's reproductive rights, in providing poor people and sick people access to the lowest priced prescription drugs, in opening the courthouse doors to the mentally ill and upholding tough sentencing guidelines that keep hardened criminals confined in prison, in averting a constitutional crisis by